Outsourcing or Privatization of Capabilities

Outsourcing/Privatization

Lessons Learned
Study
Other Army Efforts
Other Service Efforts
Other Concerns
Way ahead

Lessons Learned

Telephone outsourced/privatized in late 70’s

- Quality of service decreased
- Cost of service increased

(we bought it back in the 80’s)

Outsourcing Study
Approach

Develop a business model based on the infrastructure being installed by I3MP.

(a study performed in summer of 2000)

Outsourcing Study Results

- Outsourcing will not provide a means to reduce the cost and time to deploy a robust Infostructure.
- Outsourcing could help the Army to spread investment requirements over time to allow more rapid deployment of base upgrades
- No technologies are currently available to substantially modify the current approach.
- Program Manager initiated efforts will contribute significantly to reducing the cost of acquisition of Infostructure, and thereby decrease the time needed to complete the initial acquisition.
- Limited funding availability is the primary obstacle to timely deployment of base infrastructure upgrades Army-wide

her Army Outsourcing Initiati (non-C4IM)

- Department of Defense Reform Initiative Directive #9 & #49 - Privatizing Utility Systems (circa 1998)
- C4IM Excluded from other utilities
- Looked to these as a possible way to get the ground opened (expected that the contractor would rehab the utilities infrastructure to create economies and efficiencies)
- No real progress made in outsourcing utilities, focus went to Y2K and RCI.

er Service Outsourcing Initia (C4IM)

- Navy Marine Corps Internet (Army perspective)
- Premium service, premium price (Army budgets at substandard service levels)
- Not flexible, Contractor cautious to avoid missing performance metric, which makes every change a significant effort.
- Legacy software systems, not the infrastructure are the big obstacle
- We envision additional problems where the infrastructure is taken to the field by deploying units

Other Concerns

- Post 911: Increased dependability and survivability concerns
- Post Solar Sunrise: Increased network defense
- The cusp of technology:
  - Convergence (VOIP)
  - Wireless

Way ahead

- Continue to use COTS and contracts to acquire, install and test infrastructure
- Use contractors to augment the workforce and private sector sources for subsets of the network
- Look to the private sector to provide technology to support mobility and